GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:968
ANSWERED ON:28.07.2000
INCOME TAX ACT
ANNA SAHEB M.K. PATIL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to bring forward amendment in Income Tax Act, to speed up recovery of tax arrears;

(b) if so, the details thereof;

(c) whether about Rs. 40,000 crores is due for recovery in the form of direct taxes; and

(d) if so, the steps proposed to be taken by the Government for recovery of dues?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (Sh. V.Dhananjaya Kumar)

(a) & (b): No Sir, at present there is no proposal to bring forward amendment in the Income Tax Act to speed up recovery of tax arrears. However, certain suggestions received in this regard are being examined.

(c): Yes Sir, the provisional figures of the total Outstanding arrear demand of Corporation Tax and Income Tax as on 31.3.2000 is Rs. 53136.58 crores.

(d): Income Tax Act prescribes a statutory procedure for collection and recovery of taxes. The recovery of the outstanding tax is a continuous process. The process starts after the demand falls due after 30 days of theservice of the demand Notice. Thereafter, action is taken by Assessing Officer in respect of unstayed demand by attaching bank accounts, charging interest, levying penalty etc. In difficult cases, matter is referred to Tax Recovery Officer who takes various coercive measures as per the Act like attachment and sale of defaulter`s movable and immovable properties, arrest of defaulter and his detention in prison, appointment of Receiver for the management of the defaulter`s movable and immovable properties. The recovery action taken by the Assessing Officer and TROs is closely monitored by the higher income tax authorities.

Dossier cases having outstanding demand of Rs.10 lakhs and above are monitored by higher authorities on a regular periodic basis and necessary instructions are issued for taking various coercive measures for effecting the recovery of demand.